

ESTTA Tracking number: **ESTTA735186**

Filing date: **03/22/2016**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91215993
Party	Defendant Karma Champagne, Inc.
Correspondence Address	GARY L EASTMAN EASTMAN & MCCARTNEY LLP 401 WEST A STREET, SUITE 1785 SAN DIEGO, CA 92101 UNITED STATES gary@eastmanmccartney.com, docket@eastmanmccartney.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Gary L. Eastman
Filer's e-mail	gary@eastmanmccartney.com
Signature	/**Gary L. Eastman**/
Date	03/22/2016
Attachments	Motion to Stay Proceedings.FINAL.pdf(433554 bytes )

Gary L. Eastman, Esq. (CSB #182518)  
Matthew C. McCartney, Esq. (CSB #226687)  
EASTMAN & MCCARTNEY LLP  
401 West A Street, Suite 1785  
San Diego, CA 92101  
(619) 230-1144

Attorneys for Applicant  
KARMA CHAMPAGNE, INC.

**UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE  
TRADEMARK TRIAL AND APPEAL BOARD**

KARMA CULTURE, LLC,  
Opposer,  
v.  
KARMA CHAMPAGNE, INC.,  
Applicant.

Opposition No.: 91215993

Mark: KARMA CALIFORNIA BRUT  
Serial No.: 77876479

**APPLICANT’S MOTION TO STAY  
PROCEEDINGS PENDING  
OUTCOME OF PENDING CIVIL  
ACTION**

Applicant Karma Champagne, Inc. (“Applicant”), owner of U.S. Trademark Application for “KARMA CALIFORNIA BRUT,” Serial No. 77/876479, hereby moves the Trademark Trial and Appeals Board (“Board”) to suspend proceedings pending the outcome of a pending civil action. Specifically, Opposer Karma Culture, LLC (“Opposer”) has instituted Case No. 6:16-cv-6183 titled Karma Culture, LLC vs. Karma Champagne, Inc., United States District Court for the Western District of New York (“the Civil Action”). A copy of the Complaint is attached as Exhibit A.

According to the Complaint, Opposer alleges ownership and validity of United States Trademark Registration No. 4,063,528 for KARMA, and its First Cause of Action is for Trademark Infringement in Violation of Section 32 of the

1 Lanham Act, and seeks remedies including injunction relief prohibiting Applicant  
2 from using Applicant's KARMA CALIFORNIA BRUT mark, or any other mark  
3 confusingly similar thereto.

4 In response to the filing of this Action, Applicant is preparing and will file  
5 in due course an Answer denying all allegations of infringement in the Complaint  
6 and alleging priority of use, and a Counterclaim challenging the validity of  
7 Opposer's mark, seeking cancellation of the mark under a variety of bases  
8 including at least abandonment and fraud, and resolving the dispute surrounding  
9 this Opposition, namely, the registrability of Applicant's KARMA CALIFORNIA  
10 BRUT mark.

## 11 12 ARGUMENT

### 13 14 **The Determination in Karma Culture, LLC vs. Karma Champagne, Inc.,** 15 **Will Have A Direct Bearing On the Issues Before The TTAB.**

16  
17 Where a party to a case pending before the Board is also involved in a civil  
18 action that may have a bearing on the T.T.A.B. matter, the Board may suspend the  
19 proceeding until the final determination of the civil action. 37 CFR § 2.117(a);  
20 TBMP § 510.02(a). This is because "a decision by the United States District Court  
21 would be binding on the United States Patent and Trademark Office whereas a  
22 determination by the Patent Office as to the respondent's right to retain its  
23 registration would not be binding nor would res judicata automatically attach  
24 based on a determination by the USPTO with respect to a subsequent or  
25 contemporaneous proceeding before the federal district court." Whopper-Burger,  
26 Inc. v. Burger King Corp., 171 U.S.P.Q. 805, 807 (T.T.A.B. 1971). A court's  
27 decision regarding the right to registration is binding on the T.T.A.B. The Seven-  
28 Up Cp. V. Bubble Up Co., 136 U.S.P.Q. 210, 214 (C.C.P.A. 1963); see also In re

1 Alfred Dunhill Ltd., 224 U.S.P.Q. 501, 503 (T.T.A.B. 1984); J. Thomas  
2 McCarthy, 4 McCarthy on Trademarks and Unfair Competition § 32:94 (4th ed.  
3 2006) (hereinafter “McCarthy”).

4 Opposer and Applicant are both parties to the Civil Action, the only known  
5 parties named at the present time, with Applicant in the position of Defendant and  
6 Opposer in the position of the Plaintiff. The Civil Action is a live and ongoing  
7 litigation which at the present time is currently pending before the Western  
8 District Court of New York. At the time of the submission of the present Motion,  
9 the Plaintiff has filed the Complaint and Civil Cover Sheet, and the Court has  
10 issued a Summons. Opposer has informally served its Summons upon counsel for  
11 Applicant.

12 Generally speaking, a final determination by a District Court in a trademark  
13 infringement litigation can take a matter of months and in some cases, a matter of  
14 years. Both the present proceeding and the matter before the District Court are  
15 exhaustive of state and federal monetary resources as well as the man-hours of  
16 government employees involved in both proceedings. In order to minimize the  
17 time, money and resources expended by both parties as well as the overseeing  
18 governmental agencies, the most effective course of action for the Board at this  
19 time would be to suspend the present proceeding until such a time that the District  
20 Court renders a final judgment or sends instructions for the Board to proceed in  
21 the present matter.

22 With respect to similarities between and the overlapping nature of the  
23 present Opposition Proceeding and the trademark infringement suit currently  
24 before the District Court, it is clear from an examination of the relevant  
25 documentation filed by Opposer in both the Opposition and Civil Action that the  
26 parties involved are identical and that the issues involved before the District Court  
27 involve the totality of issues currently at issue in the present Opposition  
28 Proceeding.

1 As the cause of action presently before the District Court is for trademark  
2 infringement, the cause of action alleged by the Plaintiff in the Civil Action  
3 involves identical and nearly identical rules of law, allegations, and will be  
4 adjudicated on the basis of a formal examination of the same or an even more  
5 expansive set of relevant facts.

6 The position of the parties in both disputes are similarly situated; in both the  
7 Opposition and Civil Action, it is the Opposer seeking remedies as the Plaintiff.  
8 The same allegations are at issue in the two proceedings and the same relevant  
9 facts will be cited by both parties to support their respective positions. Further, the  
10 same Federal Trademark Law will be relied upon by the District Court and by the  
11 Board in the respective proceedings as both assess the claims and evidence of both  
12 parties and move to make a final determination and render a judgment.  
13 Specifically, with both disputes centered on allegations that the other party has  
14 infringed a party's trademark rights, the ultimate determination in either matter  
15 would ultimately come down to the issue of which party has valid and superior  
16 trademark rights over the other parties.

17 As the primary issue that will be determinative of the outcome of both  
18 proceedings is the same, specifically, which party can establish priority of first use  
19 of their respective trademarks, it is clear that the issues, facts and law that the  
20 District Court will find relevant to make its final determination are almost  
21 identical to those that the Board would rely upon to make a final ruling in the present  
22 proceeding. If the District Court were to rule in favor of either party, the Board  
23 would be bound to reflect such a ruling when moving to issue a final judgment in  
24 the present Opposition proceeding.

25 As the Plaintiff has requested, among other things, relief in the form of  
26 injunctive relief, damages, and attorney's fees, it is not possible for the issues now  
27 present in the Civil Action to be adjudicated by the Board. Further, it is clear that  
28 any continued involvement by the parties in the present Opposition would be

1 redundant and would also be wasteful of the limited resources currently afforded  
2 to the USPTO for opposition and cancellation proceedings.

3 As such, and considering the binding effect of any determination made by  
4 the District Court in the Civil Action, it is the position of the Registrant that it is in  
5 the best interests of the parties and for judicial efficiency to allow for the Civil  
6 Action to proceed while the present Opposition proceeding is suspended pending  
7 the outcome of the Civil Action. Once there is a final ruling or a final resolution in  
8 some other form is reached, the parties of the Court itself will inform the Board of  
9 the District Court's decision, and the Board can then decide what is the  
10 appropriate manner with which to proceed at that time. See *The Other Tel. Co. v.*  
11 *Conn. Nat'l Tel. Co., Inc.*, 181 U.S.P.Q. 125, 126-7 (T.T.A.B. 1974).

### 12 13 CONCLUSION

14  
15 Based on the foregoing, Applicant respectfully requests that this action be  
16 suspended pending the outcome of the District Court litigation and until the  
17 proceeding is considered to have been finally determined as when a decision on  
18 the merits of the case (i.e., a dispositive ruling that ends litigation on the merits)  
19 has been rendered, and no appeal has been filed therefrom, or all appeals filed  
20 have been decided. See TBMP § 510.02(b).

21  
22 Respectrully submitted,

23  
24 Dated: March 22, 2016

EASTMAN & MCCARTNEY LLP

25 By /s/ Gary L. Eastman  
26 Gary L. Eastman, Esq.  
27 Attorneys for Applicant  
28 KARMA CHAMPAGNE, INC.

## EXHIBIT A

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Case 6:16-cv-06183 Document 1-1 Filed 03/19/16 Page 1 of 1  
**CIVIL COVER SHEET**

JS 44 (Rev. 09/11)

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

KARMA CULTURE, LLC

**DEFENDANTS**

KARMA CHAMPAGNE, INC.

(b) County of Residence of First Listed Plaintiff Monroe  
 (EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant San Diego  
 (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) Attorneys (Firm Name, Address, and Telephone Number)  
 Woods Oviatt Gilman LLP, 700 Crossroads Building, 2 State St.,  
 Rochester, New York 14614 (585) 987-2800

Attorneys (If Known)

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   | PTF                        | DEF                        |   | PTF                        | DEF                        |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Med. Malpractice	<b>PERSONAL INJURY</b> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee (Prisoner Petition) <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input checked="" type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

**V. ORIGIN**

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from another district (specify)
- ☐ 6 Multidistrict Litigation

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
15 USC 01114(1), 15 USC 01125, et seq: 28 USC 1331

Brief description of cause:

Trademark Infringement, unfair competition and related claims of infringement.

**VII. REQUESTED IN COMPLAINT:**

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

03/19/2016

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

Western District of New York

KARMA CULTURE, LLC

Plaintiff(s)

V.

KARMA CHAMPAGNE, INC.

Defendant(s)

Civil Action No.

# SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) KARMA CHAMPAGNE, INC.  
2033 San Elijo Avenue  
Cardiff by the Sea, California 92007

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Katherine H. McGuire, Esq.  
Woods Oviatt Gilman LLP  
700 Crossroads Building  
2 State Street  
Rochester, New York 14614

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date:

---

*Signature of Clerk or Deputy Clerk*

Civil Action No. \_\_\_\_\_

**PROOF OF SERVICE***(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* \_\_\_\_\_  
 was received by me on *(date)* \_\_\_\_\_.

☐ I personally served the summons on the individual at *(place)* \_\_\_\_\_  
 \_\_\_\_\_ on *(date)* \_\_\_\_\_; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
 \_\_\_\_\_, a person of suitable age and discretion who resides there,  
 on *(date)* \_\_\_\_\_, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* \_\_\_\_\_, who is  
 designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
 \_\_\_\_\_ on *(date)* \_\_\_\_\_; or

☐ I returned the summons unexecuted because \_\_\_\_\_; or

☐ Other *(specify)*:

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ \_\_\_\_\_.

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NEW YORK

---

KARMA CULTURE, LLC,

Plaintiff,

**COMPLAINT**

vs.

KARMA CHAMPAGNE, INC.,

**Civil Action No. 6:16-cv-6183**

Defendant.

---

Plaintiff, KARMA CULTURE, LLC (“Karma Culture”), as and for its Complaint against Defendant, KARMA CHAMPAGNE, INC. (“Defendant”), alleges as follows:

**JURISDICTION AND VENUE**

1. Plaintiff Karma Culture is a New York corporation with its principal place of business in Pittsford, New York. Karma Culture is engaged in the manufacture, sale and distribution of beverages throughout the United States and abroad.

2. Upon information and belief, defendant Karma Champagne, Inc. is a California corporation with its principal place of business in Cardiff by the Sea, California. Karma Champagne, Inc. is engaged in the manufacture, sale and distribution of beverages, including, but not limited to, wines and sparkling wines. Such sale and distribution extends to interstate commerce.

3. This is an action for infringement of Plaintiff’s federally-registered trademark under Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1), for unfair competition and false designation of origin under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), and for substantial and related claims of infringement and unfair competition under the statutory and common laws of the State of New York.

4. This Court has jurisdiction of this action by virtue of 15 U.S.C. §§ 1114 and 1125(a) and the Court has jurisdiction over the State common law claims by virtue of 28 U.S.C. §§ 1331, 1332(a) 1338(a) and (b), and pursuant to the principles of supplemental jurisdiction under 28 U.S.C. § 1367, as well as CPLR 302(a)(3).

5. Venue in this district is proper under 28 U.S.C. § 1391.

### **NATURE OF THE ACTION**

6. Karma Culture is a leading manufacturer of high-quality beverages, including a line of spring waters infused with various vitamins, minerals and other supplements (the “Karma Beverage Products”).

7. On Oct. 19, 2006, Karma Culture filed with the U.S. Patent & Trademark Office (“USPTO”) an intent-to-use trademark application for the trademark “KARMA” which subsequently registered as United States Trademark Registration Number 4,063,528, (“the ‘528 Registration”). A copy of the ‘528 Registration is attached hereto as **Exhibit “A.”**

8. Since at least as early as the first use date of September 2, 2011 set forth in the ‘528 Registration, Karma Culture has continuously used the KARMA mark on and in association with the marketing and sale of the Karma Beverage Products in interstate and foreign commerce.

9. Since the date of issuance of the ‘528 mark in 2011, Karma Culture has been and still is the owner of the KARMA mark and the ‘528 Registration which has been neither assigned nor transferred.

10. Karma Culture has, since the time it registered the KARMA mark, given notice to the public that “KARMA” is a registered trademark by affixing the registration notice next to the KARMA mark as provided by 15 U.S.C. § 1111.

11. Since at least 2011, Karma Culture has used the KARMA mark in commerce in connection with its business of manufacturing and selling beverages. Over the years, Karma

Culture has earned a reputation for quality goods and services, personal attention to its customers and integrity in its business dealings and, as such, has earned the respect of both its customers and competitors.

12. In the years that its business has been in operation, Karma Culture has advertised and otherwise promoted its products throughout the United States and, as a result, has developed significant name recognition and goodwill and has attained a solid reputation within the marketplace.

13. Karma Culture's advertising and other promotional efforts have been undertaken at great expense for the purpose of developing and perpetuating name recognition and goodwill among existing and prospective customers, vendors and other constituencies.

14. These advertising and promotional efforts have been effective and Karma Culture's KARMA trademark is associated with Karma Culture within the minds of consumers.

#### **DEFENDANT'S UNLAWFUL ACTIVITIES**

15. Upon information and belief, Defendant is engaged in, among other things, the offering for sale and selling of beverages, including wines and sparkling wines.

16. Without Karma Culture's authorization, and upon information and belief, beginning after Karma Culture acquired protectable exclusive rights in the Karma Culture's KARMA mark, Defendant adopted and began using a mark substantially identical to Karma Culture's KARMA mark in US commerce.

17. Without the permission of Karma Culture, Defendant has produced, advertised and sold beverages under the name "Karma." The packaging for this product prominently displays the name "Karma" in conspicuously large print.

18. A reasonably prudent consumer could easily confuse or misconstrue such advertising and marking on the packaging of the product to assume the existence of a connection between Defendant's product and Karma Culture's KARMA mark.

19. By utilizing the "Karma" name for its beverages, Defendant has attempted to capitalize on the goodwill and reputation of Karma Culture's KARMA brand and '528 mark, which the average public consumer associates with high quality beverages.

### **FIRST CAUSE OF ACTION**

#### **(Trademark Infringement in Violation of Section 32 of the Lanham Act)**

20. Karma Culture realleges and incorporates by reference paragraphs 1 through 19 above.

21. Defendant, without consent or license from Karma Culture, has infringed and continues to infringe upon the '528 mark by using the name "Karma" in connection with the sale and distribution of beverages.

22. Defendant's use of the '528 mark is likely to cause confusion, mistake and deception and will continue to cause confusion, mistake and deception in violation of 15 U.S.C. § 1114, until Defendant's actions cease.

23. Upon information and belief, Defendant's sale and distribution of the infringing product has and is occurring through both interstate and foreign commerce.

24. Karma Culture's use and registration of the '528 mark preceded Defendant's infringing and imitating use of the name "Karma."

25. Upon information and belief, Defendant intended and continues to intend to cause confusion and mistake to deceive the buyers of Defendant's products into believing that they were and are buying products produced by, marketed by, sponsored by, approved by or licensed by Karma Culture.

32. Defendant's use of the "Karma" name for its products has and continues to deceive, mislead and confuse customers.

33. Such actions have constituted, and will continue to constitute unfair competition under 15 U.S.C. § 1125(a).

34. As a proximate result of Defendant's acts, Karma Culture has suffered great detriment to its business, goodwill, reputation and profits, all to its damage in an amount as yet not fully ascertained.

35. Defendant's infringement upon the '528 mark has deprived Karma Culture of its rightful ability to police the quality of goods uniquely associated with its mark and to ensure that its valuable goodwill and reputation are protected.

36. Karma Culture is entitled to all remedies available under the Lanham Act, including, but not limited to, injunctive relief, compensatory damages, treble damages, and disgorgement of profits.

### **THIRD CAUSE OF ACTION**

#### **(Trademark Infringement and Injury to Business Reputation in Violation of New York General Business Law Sections 360-k and 360-l)**

37. Karma Culture realleges and incorporates by reference paragraphs 1 through 36 above.

38. Defendant's labeling of its products with the name "Karma" is likely to cause confusion or mistake among consumers regarding the source of Defendant's infringing product.

39. Due to the similar nature of the products sold by Karma Culture and the infringing products sold by Defendant, an average consumer seeking to purchase beverages reasonably could believe that a connection exists between the infringing products and Karma Culture and/or the '528 mark.

40. As a direct and proximate result of Defendant's continued infringement upon the '528 mark, Karma Culture will suffer immediate and irreparable harm to the reputation of its business and the value of the '528 mark itself.

41. Karma Culture is entitled to injunctive, monetary and all other relief pursuant to New York General Business Law Sections 360-k, 360-l, and 360-m.

**TRIAL BY JURY DEMANDED**

Plaintiff demands a trial by jury on all issues so triable.

**WHEREFORE**, the Plaintiff Karma Culture demands with respect to each of its claims:

- A. Granting a permanent injunction, restraining and enjoining the Defendant, its officers, directors, agents, servants, employees and all others acting on its behalf or in its stead, from further acts of trade name infringement and unfair competition and, more particularly, from, in any manner, directly or indirectly:
  - (i) using the mark KARMA and any other marks which are confusingly similar to or marks that are dilutive to or otherwise violate Karma Culture's KARMA trademark;
  - (ii) using or otherwise exploiting the mark KARMA and any other marks which are confusingly similar to or otherwise violate Karma Culture's KARMA trademark in connection with beverages;
  - (iii) assisting, aiding or abetting any other person or entity from engaging or performing any of the activities referred to in subparagraphs 1(i)–(ii) above;
  - (iv) declaring that the Defendant has unfairly competed with the Plaintiff by the acts complained of herein and further declaring the respective rights and responsibilities of the parties;
- B. Granting an order requiring the Defendant to deliver up for destruction all products, and all promotional and/or advertising materials of any kind bearing the mark KARMA and any other marks which are confusingly similar to or otherwise violate Karma Culture's KARMA trademark;
- C. Awarding to Karma Culture any profits generated by the Defendant as a result of the acts complained of and further awarding Karma Culture its damages as a result of the Defendant's wrongful trademark infringement and unfair competition in an amount to be determined by an accounting, if necessary;
- D. Awarding Karma Culture its attorneys' fees and costs; and

- E. Granting Karma Culture such other and further relief as to this Court may seem just and proper.

DATED: March 19, 2016  
Rochester, New York

WOODS OVIATT GILMAN LLP

By: 

Donald W. O'Brien, Jr., Esq.  
Katherine H. McGuire, Esq.  
Attorneys for Plaintiff  
700 Crossroads Building  
2 State Street  
Rochester, New York 14614  
585.987.2800  
[dobrien@woodsoviatt.com](mailto:dobrien@woodsoviatt.com)  
[kmcguire@woodsoviatt.com](mailto:kmcguire@woodsoviatt.com)

# EXHIBIT A

**United States of America**  
United States Patent and Trademark Office

**KARMA**

**Reg. No. 4,063,528**

**Registered Nov. 29, 2011**

**Int. Cl.: 5**

**TRADEMARK**

**PRINCIPAL REGISTER**

KARMA CULTURE, LLC (NEW YORK LIMITED LIABILITY COMPANY)  
P.O. BOX 698  
MENDON, NY 14506

FOR: DIETARY SUPPLEMENTS IN THE NATURE OF STIMULANTS IN LIQUID FORM  
MADE FROM BOTANICALS, ALGAE, SPICES, AND HERBS FOR USE IN RESTORING  
MENTAL ALERTNESS, ALL FOR NON-MEDICINAL PURPOSES, IN CLASS 5 (U.S. CLS. 6,  
18, 44, 46, 51 AND 52).

FIRST USE 9-2-2011; IN COMMERCE 9-2-2011.

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PAR-  
TICULAR FONT, STYLE, SIZE, OR COLOR.

SN 77-024,533, FILED 10-19-2006.

STEVEN PEREZ, EXAMINING ATTORNEY



*David J. Kappas*

Director of the United States Patent and Trademark Office

**REQUIREMENTS TO MAINTAIN YOUR FEDERAL  
TRADEMARK REGISTRATION**

**WARNING: YOUR REGISTRATION WILL BE CANCELLED IF YOU DO NOT FILE THE  
DOCUMENTS BELOW DURING THE SPECIFIED TIME PERIODS.**

**Requirements in the First Ten Years\***

**What and When to File:**

***First Filing Deadline:*** You must file a Declaration of Use (or Excusable Nonuse) between the 5th and 6th years after the registration date. *See* 15 U.S.C. §§1058, 1141k. If the declaration is accepted, the registration will continue in force for the remainder of the ten-year period, calculated from the registration date, unless cancelled by an order of the Commissioner for Trademarks or a federal court.

***Second Filing Deadline:*** You must file a Declaration of Use (or Excusable Nonuse) and an Application for Renewal between the 9th and 10th years after the registration date.\*  
*See* 15 U.S.C. §1059.

**Requirements in Successive Ten-Year Periods\***

**What and When to File:**

You must file a Declaration of Use (or Excusable Nonuse) and an Application for Renewal between every 9th and 10th-year period, calculated from the registration date.\*

**Grace Period Filings\***

The above documents will be accepted as timely if filed within six months after the deadlines listed above with the payment of an additional fee.

**The United States Patent and Trademark Office (USPTO) will NOT send you any future notice or reminder of these filing requirements.**

**\*ATTENTION MADRID PROTOCOL REGISTRANTS:** The holder of an international registration with an extension of protection to the United States under the Madrid Protocol must timely file the Declarations of Use (or Excusable Nonuse) referenced above directly with the USPTO. The time periods for filing are based on the U.S. registration date (not the international registration date). The deadlines and grace periods for the Declarations of Use (or Excusable Nonuse) are identical to those for nationally issued registrations. *See* 15 U.S.C. §§1058, 1141k. However, owners of international registrations do not file renewal applications at the USPTO. Instead, the holder must file a renewal of the underlying international registration at the International Bureau of the World Intellectual Property Organization, under Article 7 of the Madrid Protocol, before the expiration of each ten-year term of protection, calculated from the date of the international registration. *See* 15 U.S.C. §1141j. For more information and renewal forms for the international registration, see <http://www.wipo.int/madrid/en/>.

**NOTE:** Fees and requirements for maintaining registrations are subject to change. Please check the USPTO website for further information. With the exception of renewal applications for registered extensions of protection, you can file the registration maintenance documents referenced above online at <http://www.uspto.gov>.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the foregoing Answer to Opposition has been served on the Opposer Karma Culture, LLC by mailing a copy of the same on March 22, 2016 via First Class Mail, postage prepaid to:

Katherine H. McGuire, Esq.  
Woods Oviatt Gilman LLP  
2 State Street 700 Crossroads Building  
Rochester, NY 14614

Executed in San Diego, California on March 22, 2016.

By\_ /s/ Gary L. Eastman